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# WEEKLY VIETNAM INDICATORS

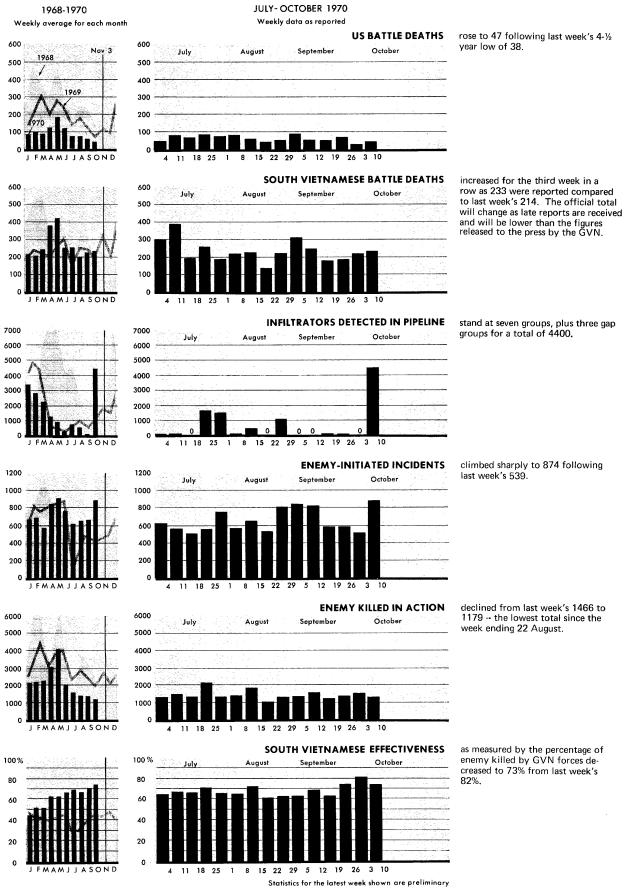
Week Ending 10 October 1970

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## SOUTH VIETNAM WEEKLY INDICATORS



FOR THE PRESIDENT ONLY

#### Enemy Activity

Enemy activity increased during the week as phase two of the fall campaign was launched in a piecemeal fashion characterized by scattered, limited ground probes and shellings in northern and central South Vietnam. The situation remained relatively quiet in the southern half of the country with a slight increase in activity noted in the Delta.

In north Laos, the recapture of the town of Muong Soui, west of the Plain of Jars, signaled the initiation of Operation COUNTER-PUNCH, Part II: the effort to capture Ban Na, the tactically important enemy forward base southwest of the Plain. The enemy battalion formerly at Muong Soui may be joining three other battalions in the Ban Na area in anticipation of the renewed friendly offensive. In south Laos, government road interdiction forces are being evacuated following the completion of their missions and the termination of the first phase of the South Laos Interdiction Campaign. On the Bolovens Plateau, Site 26 remains in friendly hands but continues to receive light enemy harassing attacks.

In Cambodia, the Communists are continuing to harass the government task force strung out along Route 6 in the Tang Kouk area, and Moat Krasas, some six miles east of Phnom Penh, came under heavy attack as the capital celebrated the declaration of the Cambodian Republic. Elsewhere, Communist forces in the west launched a series of shelling attacks in the Siem Reap city area, while to the east, substantial enemy forces appear to be concentrating near Kompong Cham.

## Enemy Infiltration

Hanoi has initiated its 1970-71 dry season infiltration campaign in earnest. During the past week, seven new groups were detected in North Vietnam enroute to South Vietnam, the largest weekly total in over six months. In addition, three "gap fill" groups are probably moving, bringing the weekly total to over 4,400 personnel. In future reports, the cumulative total of South Vietnam-bound infiltrators will be counted from 1 October 1970, an arbitrary but reasonable starting date for the 1970-71 dry season infiltration campaign.

### South Vietnam Developments

Reaction to President Nixon's peace proposals among Vietnamese in government, academic, and press circles has been generally favorable, with even staunch oppositionists speaking out in favor of them. In Paris, the GVN delegation is also reported to be "satisfied" and "even enthusiastic." The negative reactions which usually accompany U.S. war statements are muted this time, in part because most Vietnamese regard the proposals as unfavorable to Hanoi and thus not likely to be accepted. There is a tendency, however, to regard the move as related to the current election campaign in the U.S. and there exists some feeling of disappointment that the initiative did not originate with the GVN. One of Thieu's aides noted that the reasonable tone of the proposals would defuse South Vietnamese peace advocates who would now have difficulty formulating a more conciliatory peace platform. The most serious reservations were expressed by military commanders who fear that the government is not adequately prepared for a political confrontation with the Communists, and who are concerned that a cease fire would lower morale and result in a sharp increase in desertions.

The Saigon retail price index rose approximately two and a half percent in the week following implementation of the new parallel exchange rate on 5 October. This modest price increase is encouraging and is not as severe as that which followed the introduction of austerity taxes a year ago. It is having some negative psychological impact on the population, however, and many Vietnamese are not convinced that the inflationary spiral can be checked by government actions taken to date. There has been a generally mild reaction to the new economic measures, however, probably because of the extensive debate and publicity which preceded the signing of the law, and a general recognition that the reforms were badly needed.

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President Thieu is planning to extend the 1970 pacification plan an additional three months. The current four-month special emphasis program is scheduled to end on 31 October, but Thieu wants the extra time in order to bring it to a successful conclusion and be in a position to announce specific achievements at the end of January. Although modest progress has been made in pacification, the program this year has lacked the momentum it had in 1969 with the improved security situation resulting in considerable apathy on the part of GVN officials. Preoccupation of national and local leaders with such problems as Cambodia, student and veteran demonstrations, the economic situation, and the Senate elections was probably an additional factor in the failure to move more rapidly toward the established goals.

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